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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF TEXAS  
AMARILLO DIVISION**

IN RE:	<b>CASE NO. 23-20084-7-rlj</b> <b>(Jointly Administered Cases)</b>
McCLAIN FEED YARD, INC., McCLAIN FARMS, INC. and 7M CATTLE FEEDERS, INC.,  Debtors. <sup>1</sup>	<b>Chapter 7</b>

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<sup>1</sup> The Debtors in these jointly administered Chapter cases are: (a) McClain Feed Yard, Inc. (Case No. 23-20084), (b) McClain Farms, Inc. (Case No. 23-20885) and 7M Cattle Feeders, Inc. (Case No. 23-20886). All three cases are being jointly administered under the case number for McClain Feed Yard, Inc.

**EX PARTE MOTION FOR RULE 2004 ORDER AUTHORIZING THE ISSUANCE OF A DOCUMENT AND EXAMINATION SUBPOENA TO MACON BANK & TRUST COMPANY**

TO THE HONORABLE UNITED STATES BANKRUPTCY COURT:

Pursuant to Federal Rule of Bankruptcy Procedure 2004 and L.B.R. 2004-1, Rabo AgriFinance LLC (“**Rabo**”), a secured creditor of each of the Debtors in the above-entitled Chapter 7 cases, through counsel, respectfully requests that this Court authorize Rabo to issue a documents subpoena to Macon Bank & Trust Company (“**MBT**”). Rabo is informed and believes that MBT has information relevant to the acts, conduct or property of the Debtors’ bankruptcy estates, or to the Debtors’ liabilities and financial affairs. Specifically, Rabo is informed and believe that Jedediah (Jed) Goad and Meagan Goad and their company, JLE Trucking, have a banking relationship with MBT. Rabo is further informed and believes that MBT possesses bank records related to various monetary transfers that were made by the Debtors to both JLE and the Goads. A copy of the subpoena Rabo intends on issuing to MBT is attached hereto as **Exhibit “A.”**

In addition to issuing a document subpoena to MBT in the form attached hereto as Exhibit “A,” Rabo also requests authority to issue a subsequent subpoena to MBT for a Rule 2004 examination, if and to the extent Rabo deems a subsequent Rule 2004 examination of MBT to be appropriate.

In support hereof, Rabo states as follows:

1. Each of the Debtors filed voluntary petitions for relief under Chapter 7 of Title 11 of the United States Code with this Court on April 28, 2023 (the “**Petition Date**”).

2. Brian McClain was the sole owner of each of the Debtors. Mr. McClain committed suicide on April 18, 2023.

3. Rabo is a secured creditor of the Debtors and of Mr. McClain personally. Rabo holds perfected liens on real property assets owned by the Debtors in Texas, and on Mr. McClain's real estate assets in Kentucky. Rabo also holds a perfected security interest in substantially all personal property assets of the Debtors, including accounts receivable, cattle and the proceeds of cattle.

4. As of the Petition Date, the Debtors jointly and severally owed Rabo in excess of \$52 million.

5. On information and belief, the Debtors, with Brian McClain at the helm, were engaged in a massive fraud prior to the Petition Date. In addition to defrauding Rabo out of millions of dollars, the Debtors also may have defrauded other third parties by having those third parties purchase and pay for "cattle" that either did not exist or that had already been sold previously. Further, the Debtors may have been engaged in either a "Ponzi" or check kiting scheme.

6. Federal Rule of Bankruptcy Procedure 2004 authorizes the Court, on motion of any party, to order the examination of any entity. Further, such examination may relate to the "acts, conduct, or property or to the liabilities and financial condition of the debtor, or to any matter which may affect the administration of the debtor's estate, or to the debtor's right to a discharge."

7. Rule 2004 discovery is “extremely broad.” *In re Buckner*, 2001 WL 992063 at \*4 (BAP 10th Cir. 2001). Rule 2004 allows an unrestrained “fishing expedition,” and “is essentially creditor and trustee oriented.” *In re Blinder, Robinson & Co., Inc.*, 127 B.R. 267, 274 (D. Colo. 1991); *In re Kipp*, 86 B.R. 490, 491 (Bankr. W.D. Tex. 1998).

8. “The object of the examination of the bankrupt and other witnesses to show the condition of the estate is to enable the court to discover its extent and whereabouts, and to come into possession of it, that the rights of creditors may be preserved.” *Cameron v. United States*, 231 U.S. 710, 717 (1914). “As a general rule, examinations under Rule 2004 are allowed for the purpose of discovering assets, examining transactions, and determining whether wrongdoing has occurred.” *In re Strecker*, 251 B.R. 878, 882 (Bankr. D. Colo. 2000) (internal citations and quotations omitted).

9. Here, MBT is believed to control banking and financial records for Jedediah and Meagan Goad and their company, JLE Trucking. Meagan B. Goad is the daughter of Brian McClain, and also was employed by the Debtors. Jedediah Goad is Meagan Goad’s husband, and is the son-in-law of Brian McClain. The Debtors’ bank records at Mechanics Bank show substantial monetary transfers to Mr. and Mrs. Goad, and/or JLE Trucking.

10. As noted above, Rabo requests authority to issue a document subpoena to MBT directing MBT to produce the records and documents identified in the subpoena rider attached hereto as Exhibit “A.” Rabo also requests authority to conduct a Rule 2004 examination of MBT, if and to the extent Rabo deems a Rule 2004 examination to be appropriate.

11. “A bankruptcy court ‘has abundant legal authority to order the retrieval of information concerning a debtor and his estate from persons and entities who are not parties in a bankruptcy case, *i.e.*, persons or entities who have neither filed a voluntary petition under section 301 of the Bankruptcy Code nor filed a proof of claim or interest under section 501 of the Bankruptcy Code.’” *In re Correa*, 589 B.R. 76, 107 (Bankr. N.D. Tex. 2018) (citations and quotations omitted).

12. Indeed, “Bankruptcy Rule 2004 of the Federal Rules of Bankruptcy Procedure is ‘the basic discovery device in bankruptcy cases.’” *Id.*, at 108. “Third parties are subject to examination pursuant to Rule 2004 if they have knowledge of the debtor’s affairs.” *Id.* Further, “[a] rule 2004 exam has been explained as a broad investigation into the financial affairs of the debtor for the purpose of the discovery of assets of the estate and the exposure of fraudulent conduct.” *Id.* That is why the scope of a Rule 2004 examination is “unfettered and broad” and “is commonly recognized as more in the nature of a ‘fishing expedition.’” *Id.*

13. If the Court grants this Motion, Rabo will compel MBT to produce records and documents through the issuance of a subpoena issued pursuant to Federal Rule of Bankruptcy Procedure 9016.

14. Rabo represents that MBT will receive not less than 14 days’ written notice of its deadline to produce documents.

15. Rabo will coordinate and cooperate with MBT concerning both the production of documents and any subsequent Rule 2004 examination.

16. Rabo intends on sharing any documents produced by the Examinees with Kent Ries, the Chapter 7 Trustee, and with other parties in interest.

WHEREFORE, Rabo respectfully requests that the Court grant this ex parte motion. A proposed Order is submitted herewith.

**CERTIFICATE REGARDING CONFERENCE**

Pursuant to LBR 2004-1, the undersigned represents that after the subpoena is served on MBT the undersigned will cooperate with MBY, or its counsel, to establish a mutually agreeable date, place and time for the compliance with the document subpoenas and any subsequent examination.

DATED this 29<sup>th</sup> day of December, 2023.

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*/s/ Michael R. Johnson*  
Michael R. Johnson  
*Attorneys for Rabo AgriFinance LLC*

**CERTIFICATE OF SERVICE**

I hereby certify that on December 29, 2023, the foregoing document was filed with the Clerk of the Court in the lead case of McClain Feed Yard, Inc., Case No. 23-20084-7-rlj, which sent notice of electronic filing to all electronic filing users in that case.

*/s/ Michael R. Johnson* \_\_\_\_\_

Michael R. Johnson

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